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5 *Successor Receiver*

6 **UNITED STATES DISTRICT COURT**
7 **NORTHERN DISTRICT OF CALIFORNIA**
8 **SAN FRANCISCO DIVISION**

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 v.

13 JOHN V. BIVONA; SADDLE RIVER
14 ADVISORS, LLC; SRA
MANAGEMENT ASSOCIATES,
15 LLC; FRANK GREGORY
MAZZOLA,

16 Defendants, and

17 SRA I LLC; SRA II LLC; SRA III
18 LLC; FELIX INVESTMENTS, LLC;
MICHELE J. MAZZOLA; ANNE
19 BIVONA; CLEAR SAILING GROUP
IV LLC; CLEAR SAILING GROUP V
20 LLC,

21 Relief Defendants.
22

Case No. 3:16-cv-01386-EMC

**DECLARATION OF HOWARD B.
GROBSTEIN IN SUPPORT OF
ADMINISTRATIVE MOTION BY
RECEIVER KATHY BAZOIAN PHELPS
PURSUANT TO LOCAL CIVIL RULE 7-11
FOR ORDER APPROVING
EMPLOYMENT GROBSTEIN TEEPLE
LLC AS ACCOUNTANTS**

Date: No Hearing Set
Time: No Hearing Set
Judge: Edward M. Chen

1 I, Howard B. Grobstein, declare as follows:

2 1. I am a partner and founding member of Grobstein Teeple, LLP (“Grobstein
3 Teeple”), proposed accountants for Kathy Bazoian Phelps, the Successor Receiver (“Receiver”) in
4 the matter of *Securities and Exchange Commission v. Bivona, et al.* I am a Certified Public
5 Accountant licensed in the State of California. I have personal knowledge of all of the facts in this
6 declaration and, if called as a witness, could competently testify to these facts.

7 2. Grobstein Teeple has extensive experience in accounting for fiduciary estates and
8 receiverships in particular. Grobstein Teeple has specific and deep experience in accounting issues
9 that involved in receiverships, including tax matters, forensic accounting, litigation support,
10 liquidation and asset monetization, calculation of distributions, and winding down of businesses. I
11 have been a Certified Public Accountant (CPA) for almost 25 years and hold certifications as a
12 Certified Fraud Examiner (CFE) and Certified Financial Forensics (CFE).

13 3. I have been appointed as a receiver as well as Chapter 7 and Chapter 11 trustee in
14 business bankruptcies and have represented receivers as well as bankruptcy trustees in accounting
15 matters in numerous cases, and I have also been appointed as a court neutral accounting expert in
16 complex accounting and financial disputes. Kermith Boffill of my firm, who will be the other
17 member of my firm primarily providing services to the Receiver in this matter, is also a Certified
18 Public Accountant with extensive experience in tax matters, including tax consulting and tax
19 compliance. A summary of Grobstein Teeple’s receivership services and expertise as well as
20 biographies of Kermith Boffill and me are attached hereto as Exhibit “3.”

21 4. Grobstein Teeple has agreed to a 20% discount from its regular hourly rates for all
22 professionals rendering services to the Receiver in this case. Attached hereto as Exhibit “4” is a
23 copy of Grobstein Teeple’s regularly hourly rate sheet before the 20% discount.

24 5. To the best of my knowledge, except as set forth below, Grobstein Teeple and all
25 of its partners, principals, managers, directors, staff and senior associates, paraprofessionals and
26 employees are disinterested persons, and neither Grobstein Teeple nor any partners, principals,
27 managers, directors, staff and senior associates, paraprofessionals and employees principals,
28 managers, directors, staff and senior associates, paraprofessionals and employees of Grobstein

1 Teeple are connected with the Receiver, Defendants, Relief Defendants, investors, or creditors.
2 Grobstein Teeple has been engaged by Ms. Phelps in her capacity as a Chapter 11 Trustee in the
3 past on an unrelated case, and I have engaged Ms. Phelps and Diamond McCarthy as counsel in my
4 capacity as a fiduciary in a few unrelated cases in the past. I do not believe that any of those
5 unrelated engagements present any type of conflict in this case.

6 6. Grobstein Teeple agrees to accept compensation in such sum as the Court may deem
7 reasonable. Grobstein Teeple has not received nor is it seeking any retainer or advance payment of
8 fees.

9 I declare under penalty of perjury that the foregoing is true and correct. Executed at Los
10 Angeles, California, on March 17, 2019.

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HOWARD B. GROBSTEIN